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ARIZONA CORPORATION COMMISSION

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July 19, 2007

Chairman Mike Gleason
Commissioner William A. Mundell
Commissioner Jeff Hatch-Miller
Commissioner Gary Pierce

**Re: Application by the Residential Utility Consumer Office for Rehearing of Decision
No. 69664, Gold Canyon Sewer Company; Docket No. SW-02519A-06-0015**

Dear Colleagues:

On July 18, 2007, the Residential Utility Consumer Office ("RUCO") filed an application for rehearing the Commission's decision on the Gold Canyon Sewer Company's ("Company") rate increase (Decision No. 69664).

In its application RUCO cites amendments on excess capacity and a hypothetical capital structure, which I offered, that would have mitigated the rate impact on customers. These amendments ultimately were not adopted by the Commission.

Under the Order, Gold Canyon residential customers will be paying \$60.57 a month for sewer service, up from \$35 a month. Had all three of my amendments passed, customer bills still would have increased, but only to \$46.02 a month.

As RUCO's application describes, this decision weighs too much in favor of the Company, to the detriment of customers. Accordingly, I am requesting that RUCO's application for rehearing be placed on an Open Meeting Agenda for consideration by the Commission.

Sincerely,

A handwritten signature in black ink, appearing to read "Kris Mayes", is written over a horizontal line.

Kris Mayes
Commissioner

Cc: Brian McNeil
Ernest Johnson
Dwight Nodes
Chris Kempley
Parties to the Docket